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San Bruno Demands Immediate Appointment of Independent Monitor Following Exposure of More Illegal CPUC-PG&E Communications

City Responds to CPUC President Michael Peevey's Recusal, Termination of Top PG&E Executives at Center of Shocking Illegal Contact

San Bruno, Calif. – San Bruno City leaders today demanded the immediate appointment of an Independent Monitor following the exposure Monday of more illegal communication between the Pacific Gas & Electric Co. and the California Public Utilities Commission – private emails that led PG&E to fire three top executives and CPUC President Michael Peevey to recuse himself in the ongoing PG&E penalty case related to the 2010 PG&E explosion and fire.

"The latest illegal communication between PG&E and the CPUC now more than ever underscores the need for an Independent Monitor, effective immediately, who can provide the objective oversight necessary to safeguard the public in the face of PG&E's gross negligence and the CPUC's demonstrated bias," said San Bruno Mayor Jim Ruane.

"We are calling on our state elected leaders take immediate action and clean up a broken agency so that no other community in California is forced to endure another PG&E-made tragedy," Ruane said. "Until and unless there's independent oversight and a realignment of how the CPUC does business, these problems will still persist."

Both PG&E and the CPUC on Monday announced the termination of top officials at the center of more illegal emails between the CPUC and PG&E involving a Gas Transmission and Storage rate case.

In addition to Peevey's recusal from the ongoing PG&E penalty proceeding, the CPUC also announced the resignation of Peevey's Chief of Staff, Carol Brown, while PG&E announced the termination of vice presidents Brian Cherry, Tom Bottorff and Trina Horner.

Ruane said the city believes that necessary action has been taken, but he's concerned that it only came about after months of significant public pressure. In July, San Bruno exposed more than 7,000 pages of emails documenting the same too-cozy relationship between Peevey PG&E executives and one that the National Transportation Safety Board identified as a contributing cause of the 2010 PG&E disaster. The exposure of these records, obtained by San Bruno only through a lawsuit, has led state lawmakers and statewide newspapers to call for Peevey to step down.

"It is now well-documented that Peevey has maintained an ongoing and illegal relationship with top PG&E executives – one that's jeopardized the very function of this state agency," Ruane said. "While we continue to call for Peevey's removal as president of the CPUC, we believe his recusal from this proceeding is necessary and, frankly, long overdue."

Ruane said the city was shocked by the illicit nature of the newly released emails – <u>available</u> <u>here</u> –that illustrate CPUC Commissioner Michel Florio, Brown, and top PG&E officials discussing strategies to secure a lenient judge in an ongoing rate case related to PG&E's multibillion-dollar gas transmission system repairs.

But even more surprising, Ruane said, is that these communications happened in January 2014 – almost a year after the City of San Bruno first started requesting records of private emails, meaning the CPUC and PG&E knew the public was watching but continued to engage in blatantly illegal, private communication.

"This is yet another example of the CPUC and PG&E viewing themselves as somehow above the law," Ruane said. "It's the same mentality that has allowed a cozy relationship to persist for decades – and the same dangerous attitude that caused a fatal explosion in our city. It's wrong and we believe only outside, independent oversight can put an end to it so that what happened in San Bruno never happens again."